

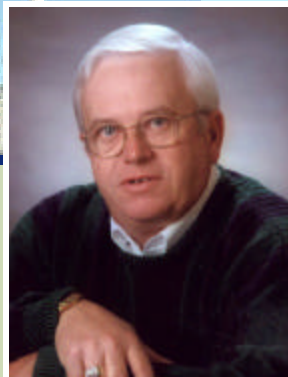


Senator Bob Jackman

200 W. Washington St.
Indianapolis, IN 46204

News from the Indiana State Senate

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Sen. Bob Jackman
Indiana Senate
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News from the Indiana State Senate

CollegeChoice Program Provides Financial Options for Families

For children, fall marks the beginning of the school year. For many parents, it brings the stark reality of college and its subsequent costs one year closer to fruition. With tuition prices skyrocketing, the dream of college can quickly turn into a nightmare. The state of Indiana now provides parents with a tool to help finance their children's higher education and gain extra tax benefits as a result.

Since 1997, CollegeChoice allows anyone over age 18 to contribute money into a group investment portfolio made up of a strategic mix of stocks, bonds and money market funds. The program provides contributors with an easy, hands-off way to save for college. Once enrolled, a team of experienced professionals manage the portfolio in order to maximize investment growth.

Individuals can establish an account with just \$50 per portfolio and \$25 subsequent monthly installments until contributions reach \$236,750. No enrollment or application fee exists. The enrollee can name any person as a

beneficiary regardless of age and the beneficiary can change at the enrollee's discretion.

Additionally, the investment grows tax deferred and remains exempt from federal taxes if used for qualified higher education expenses. Whether public or private, the funds can be used at any eligible accredited post-secondary school, including graduate and vocational-technical schools.

Assuming only a 5 percent annual price increase, experts estimate that parents can expect to pay \$143,000 to put a child born today through four years of in-state public college and about \$306,000 for a private college. This sobering statistic highlights the importance of saving for college early. CollegeChoice offers individuals a useful tool to make sure college remains a dream, not a nightmare.

For more information
www.collegechoiceplan.com
or call 1-866-400-PLAN (7526)

State Improves HoosierRx Program

America leads the world in pushing the bounds of science to bring new prescription drugs to the market, resulting in lives saved and an increased quality of life. There are high costs involved in bringing these drugs to the open market. Part of that price tag is passed on to the consumer, which causes patients who do not have drug coverage to suffer financially. As a relief to those patients, some new programs have been established to help with the costs of prescription drugs.

The U.S. government has launched a new drug discount card that will provide immediate financial relief to seniors. This program, which took effect on June 1, allows recipients to choose a discount card program that best suits their needs. Medicare will be providing reliable and accessible information.

Anyone who is enrolled in Medicare Part A or Part B and not receiving Medicare benefits is eligible for the discount drug card program. For more information or to become enrolled, you may call 1-800-MEDICARE (1-800-633-4227) or visit the Medicare website at www.medicare.gov.

HoosierRx is a state program that helps to shift the cost of prescription drugs away from low-income seniors. HoosierRx was enacted four years ago by the General Assembly and allows seniors who qualify to receive a 75 percent discount on the cost of medications. This program will be coordinated with the Medicare discount drug card to maximize savings.

Low-income seniors can sign up for the HoosierRx Drug Card by calling 1-866-267-4679 or by visiting www.in.gov/HoosierRx.

Indiana Farms

..... Are They In Jeopardy?

Indiana loses approximately 100,000 acres of farmland a year to the growth and development of subdivided neighborhoods. Hamilton and Johnson Counties have seen the most urban growth in recent years and because of that, family farms are being forced to sell out to developers.

According to the Indiana Agricultural Statistics Services at Purdue University, the majority of farm loss occurred in mid-size farms and operations, which annually generate between \$10,000 and \$100,000 per farm. Smaller and larger farms are either growing or have been profitable enough to continue their operations.

This same research has found that commercial farms are consistently large enough to produce a positive return and those who own smaller farms are not living solely off of the crop revenue.

We in the legislature have tried to step in and help prevent Indiana from losing more farms. In

the 2004 legislative session, Senator David Ford and I co-authored a measure that would encourage the preservation of farmland. Senate Bill 362 would have allowed the Indiana Land Resource Council to work with local area planning departments to offer farmers and land owners compensation for voluntarily selling easements to restrict the land from developments.

I believed then, and still believe, that SB 362 will be of great significance to our farmers and farmland. SB 362 passed the Senate but did not pass the House of Representatives because of time constraints, but look for a similar bill during the 2005 legislative session.

Farmland has been and will continue to be the foundation for Indiana's largest industry. We must work together to save this precious land and Indiana's heritage.



Consumer Information

Unclaimed Property

The Attorney General reports thousands of unclaimed property listings all across the state of Indiana. Some possible sources of unclaimed property are: credit balances, old savings and checking accounts, unpaid wages, mutual fund shares, insurance proceeds, uncashed traveler's checks, and utility deposits.

You can contact the Indiana Attorney General's office to see if you or a relative has a claim.

Visit www.indianaunclaimed.com or call, toll-free, **1-866-IN-CLAIM** (1-866-462-5246).

Direct Mail Lists

Tired of receiving advertising through the mail? Remove your name from direct mail lists by visiting www.dmaconsumers.org or write to:

Mail Preference Service
Attn: Dept 12851374
Direct Marketing Association
PO Box 282
Carmel, NY 10512

National No-Call List

Indiana led the way with the creation of a no-call registry. Federal legislators followed suit by creating a national do not call list. Consumers now can list both home and mobile phone numbers in order to prevent unsolicited telemarketing calls. To register your phone number on the national list, visit www.donotcall.gov. Additions to the list are updated every three months.

Voting Record

Voting on legislation is one of the most important responsibilities of being a member of the Senate. I am proud to report to the citizens of our district that I achieved a 99.4 percent voting attendance record during the 2004 legislative session. I was present for 339 of 341 roll-call votes recorded during the nine-week long session.

The 2004 legislative session ended March 4. During the session, 503 Senate bills and 459 House Bills were filed. Ten percent of those bills were sent to and signed by the governor.



F.A.Q.

Frequently Asked Questions About Indiana State Government

Q: Why is the Indiana General Assembly called a "citizen legislature?"

A: Indiana lawmakers spend only a few months each year at the Capitol. The rest of the year, each legislator lives and works in the district he or she represents. Our part-time legislature offers substantial savings to Indiana taxpayers. The National Conference of State Legislatures ranks Indiana 45 among the 50 states with regard to the expenditures of the legislature per capita.

Q: Where is the money generated from gaming profits, such as the Hoosier Lottery, river boats, pari-mutuel, etc., going?

A: Of the \$670 million of the state's share of gaming profits in 2003, \$294 million was dedicated to the Property Tax Replacement Fund to help subsidize homeowners' local property tax bills through payment of homestead credits. The second-largest share, \$236 million, cuts the "license plate tax," the excise tax Indiana motorists pay annually when renewing their vehicle license plates, by up to 50 percent yearly.

Q: How does the General Assembly function when it is not in session?

A: The Legislative Council is composed of 16 legislators, including the speaker of the House, president pro tempore, and floor leaders of the majority and minority parties. It is designed to provide an interim coordination structure for the General Assembly. Created in 1967 by combining and expanding existing legislative service agencies, the Council assists the General Assembly through its selection of interim study committees, research, fiscal analysis, and bill drafting staff.

Q: How does a senator author a bill?

A: A senator takes an idea for a bill to the non-partisan Legislative Services Agency. The staff provide necessary legal, fiscal, and research capabilities for the General Assembly. Drafting legislation, including major revisions of the Indiana Code, compiling and publishing the rules and regulations of state agencies, assisting study committees during the interim and standing committees during session, and furnishing figures on the estimated cost of existing or proposed state services are among the tasks performed by the LSA staff.



State Faces Tough Budget Decisions in 2005

Indiana Personal Income Lags the Nation

On July 12, the state closed the books for Fiscal Year 2004. According to official figures released by the State Budget Agency, the state is expected to have a "surplus" or "reserve" of just \$300 million on June 30, 2005 – the close of the current budget cycle. As shown on **Figure 1**, this means the state's reserve will have declined by nearly \$2 billion since 1998.

The problem is that state spending has been exceeding state revenues for the past several years. State revenue collections actually decreased in both Fiscal Years 2001 and 2002 before showing a 0.5 percent increase in 2003. Revenue collections increased by about 2.X percent for Fiscal Year 2004, the year that just ended.

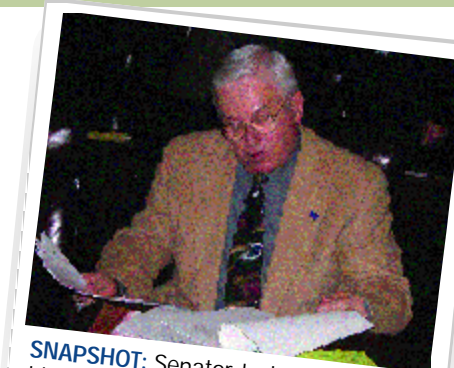
In order to avoid big spending cuts in education and health care, the state has been using the surplus and employing spending delays and other temporary solutions. These measures make it possible for the state to spend nearly \$800 million more than it will collect this year. While there is nothing inherently wrong with these accounting measures – they have helped the state avoid big spending cuts in our schools – these measures are only one-time temporary fixes and cannot be sustained. So, while it may seem like Indiana's economy is improving, the state's financial condition actually remains very weak.

A \$300 million reserve sounds like a lot of money. But with an annual \$11.2 billion General Fund Budget, including big items

such as \$4.3 billion for K-12 education, \$2.1 billion for local property tax relief, \$1.4 billion for universities and \$1.2 billion for Medicaid, \$300 million really is not a sufficient reserve. In fact, the State Budget spends more than \$30 million per day every day of the year. A \$300 million reserve barely funds 10 days of expenses.

The root of Indiana's budget problems is slow revenue growth. Part of the problem is job loss due to the recession. But the real problem is that Indiana lags the nation in personal income growth. As reflected in **Figure 2** the problem has steadily grown since 1996. Today, the average Hoosier worker earns only about 91 cents for every \$1.00 earned by the average worker nationwide. Just as Hoosier workers earn less, state tax revenues lag as well. If Indiana workers earned the same as the national average, the subsequent gain in tax revenues would erase the state's structural deficit. Indiana needs to improve its economy relative to the nation or Indiana's budget – and the ability to adequately fund priorities like education and health care – will remain a problem.

Beginning in January, the General Assembly will start work on the state budget for the next biennium. Much of the discussion will center on adequate funding for education and health care. But, it is equally important to continue to try to find ways to diversify the economy and stimulate business investment as the real long term solution to the state's budget dilemma.



SNAPSHOT: Senator Jackman reviews a bill before voting on it during a busy session day. The next legislative session will convene in early January 2005.

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We must find ways to diversify the economy and stimulate business investment and job growth.

